

NIHON KOHDEN CORPORATION (6849)

Stock Exchange Listing:	1 st section Tokyo Stock Exchange
Head Office:	Tokyo
Representative:	Kazuo Ogino, President and CEO
Contact:	Takeshi Akahane, Corporate Director, General Manager, Managing and Planning Dept. Phone: +81 / 3-5996-8003 (URL http://www.nihonkohden.com/)
Date of Board of Directors' Meeting:	November 20, 2006
U.S. Accounting Standards:	None

1. Consolidated Financial Highlights for the 1st Half of FY2006 (From April 1, 2006 to September 30, 2006)

(1) Consolidated Operating Results

(Amounts are rounded down to the nearest million yen)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half FY2006	47,113	15.6	3,296	32.5	3,558	27.9
First half FY2005	40,755	5.9	2,488	1.5	2,782	0.5
FY2005	90,367		7,414		8,083	

	Net income		Net income per share - Basic	Net income per share - Diluted
	Millions of yen	%	Yen	Yen
First half FY2006	2,049	-5.7	46.23	—
First half FY2005	2,174	-16.5	49.03	—
FY2005	5,788		128.56	—

Note: (1) Investment income for equity method:

First half FY2006: 18 million yen First half FY2005: 29 million yen FY2005: 40 million yen

(2) Average number of outstanding shares during the period (consolidated):

First half FY2006: 44,325,102 First half FY2005: 44,346,231 FY2005: 44,336,781

(3) Change in accounting methods: No

(4) Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.

(2) Consolidated Financial Conditions

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	Millions of yen	Millions of yen	%	Yen
First half FY2006	72,274	47,211	64.9	1,057.93
First half FY2005	63,258	42,004	66.4	947.49
FY2005	73,510	45,540	62.0	1,025.40

Note: Number of outstanding shares at the end of the period (consolidated)

First half FY2006: 44,324,317 First half FY2005: 44,332,080 FY2005: 44,325,877

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First half FY2006	2,693	-1,301	-831	11,404
First half FY2005	2,409	-663	-811	7,812
FY2005	7,801	-1,514	-2,597	10,804

(4) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 26

Number of non-consolidated subsidiaries accounted for by the equity method: None

Number of affiliates accounted for by the equity method: 1

(5) Changes in scope of consolidation and application of equity method

Consolidation (New): 2 (Eliminated): 1

Equity method (New): None (Eliminated): None

2. Forecast for FY2006 (From April 1, 2006 to March 31, 2007)

	Net sales	Operating profit	Net income
	Millions of yen	Millions of yen	Millions of yen
Full year	97,700	9,000	5,400

Note: Estimated net income per share (full year): 119.87 yen

* The above estimates are based on information available on the date of this report's announcement. Actual results may differ from such estimates due to unforeseen circumstances.

3.Consolidated Sales Results by Product Segment

(Millions of yen)

	First half FY2006			First half FY2005	
	Amount	Growth rate (%)	Composition (%)	Amount	Composition (%)
Physiological Measuring Equipment	8,252	23.8	17.5	6,664	16.4
Patient Monitors	9,065	7.3	19.2	8,450	20.7
Treatment Equipment	6,804	25.0	14.5	5,444	13.4
Medical Supplies	13,897	4.1	29.5	13,356	32.8
Other Medical Equipment	9,094	32.9	19.3	6,840	16.7
Total	47,113	15.6	100.0	40,755	100.0
(Reference) Overseas Sales	9,886	9.6	21.0	9,021	22.1

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets (Summary)

(Millions of yen)

	September 30, 2006		March 31, 2006		Change
	Amount	%	Amount	%	Amount
ASSETS					
Current Assets					
Cash	11,440		10,847		+ 593
Trade notes and accounts receivable	26,326		29,568		- 3,242
Inventories	14,829		14,082		+ 746
Other current assets	3,858		3,951		- 92
Total current assets	56,455	78.1	58,450	79.5	- 1,995
Fixed Assets					
Tangible fixed assets	8,930	12.4	8,540	11.6	+ 389
Intangible fixed assets	804	1.1	698	1.0	+ 106
Investments and other assets	6,084	8.4	5,821	7.9	+ 263
Total fixed assets	15,819	21.9	15,060	20.5	+ 759
Total Assets	72,274	100.0	73,510	100.0	- 1,236
LIABILITIES					
Current Liabilities					
Trade notes and accounts payable	15,921		17,349		- 1,428
Short-term debt	2,840		3,002		- 161
Other current liabilities	5,693		6,944		- 1,251
Total current liabilities	24,454	33.8	27,296	37.1	- 2,841
Non-current liabilities					
Long-term debt	137		16		+ 120
Other non-current liabilities	470		319		+ 150
Total non-current liabilities	607	0.9	336	0.4	+ 271
Total liabilities	25,062	34.7	27,632	37.5	- 2,570
MINORITY INTERESTS					
Minority interests			337	0.5	-
STOCKHOLDERS' EQUITY					
Common stock			7,544	10.3	-
Additional paid-in capital			10,485	14.3	-
Retained earnings			26,990	36.7	-
Net unrealized gain on other securities			1,596	2.2	-
Foreign currency translation adjustments			-61	-0.1	-
Treasury stock			-1,014	-1.4	-
Total stockholders' equity			45,540	62.0	-
Equity			73,510	100.0	-
NET ASSETS					
Stockholders' equity					
Common stock	7,544	10.4			-
Additional paid-in capital	10,485	14.5			-
Retained earnings	28,364	39.3			-
Treasury stock	-1,017	-1.4			-
Total stockholders' equity	45,376	62.8			-
Valuation and Translation Adjustments					
Net unrealized gain on other securities	1,563	2.2			-
Deferred hedge gain (loss)	10	0.0			-
Foreign currency translation adjustments	-58	-0.1			-
Total Valuation and Translation Adjustments	1,515	2.1			-
Minority interests	319	0.4			-
Total Net Assets	47,211	65.3			-
Total Liabilities and Net Assets	72,274	100.0			-

(2) Consolidated Statements of Income (Summary)

(Millions of yen)

	Interim year ended September 30, 2006		Interim year ended September 30, 2005		Change Amount	Year ended March 31, 2006	
	Amount	%	Amount	%		Amount	Amount
Net sales	47,113	100.0	40,755	100.0	+ 6,357	90,367	100.0
Cost of sales	24,406	51.8	20,929	51.4	+ 3,477	47,407	52.5
Gross profit	22,706	48.2	19,825	48.6	+ 2,880	42,960	47.5
Selling, general and administrative expenses	19,409	41.2	17,337	42.5	+ 2,072	35,545	39.3
Operating profit	3,296	7.0	2,488	6.1	+ 808	7,414	8.2
Non-operating profit	353	0.7	415	1.0	- 62	937	1.0
Non-operating expenses	92	0.2	121	0.3	- 29	269	0.3
Ordinary profit	3,558	7.5	2,782	6.8	+ 775	8,083	8.9
Extraordinary profit	13	0.0	1	0.0	+ 12	205	0.2
Extraordinary expenses	159	0.3	9	0.0	+ 150	27	0.0
Income before income taxes and minority interests	3,411	7.2	2,774	6.8	+ 637	8,260	9.1
Income taxes	1,332	2.8	577	1.4	+ 754	2,429	2.7
Minority interests	29	0.1	22	0.1	+ 7	43	0.0
Net income	2,049	4.3	2,174	5.3	- 124	5,788	6.4

(3) Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Interim year ended September 30, 2006		Interim year ended September 30, 2005		Change	Year ended March 31, 2006	
	Amount	%	Amount	%		Amount	Amount
Cash flows from operating activities							
Income before income taxes and minority interests	3,411		2,774		+ 637	8,260	
Depreciation and amortization	742		740		+ 1	1,592	
Increase in allowance	424		-750		+ 1,175	-542	
(Increase) decrease in trade notes and accounts receivable	3,764		4,492		- 727	-909	
(Increase) decrease in inventories	-746		417		- 1,163	552	
Increase in trade notes and accounts payable	-1,429		-4,182		+ 2,752	511	
Other, net	-1,179		-438		- 740	-247	
Subtotal	4,988		3,053		+ 1,935	9,217	
Intersect and dividends received	36		127		- 91	153	
Intersect paid	-37		-49		+ 11	-69	
Income taxes paid	-2,293		-722		- 1,570	-1,500	
Net cash provided by operating activities	2,693		2,409		+ 284	7,801	
Cash flows from investing activities							
Capital expenditures and others	-1,231		-895		- 335	-1,755	
Other, net	-70		232		- 302	241	
Net cash used in investing activities	-1,301		-663		- 638	-1,514	
Cash flows from financing activities							
Increase (decrease) in debt	-224		-151		- 73	-1,350	
Dividends paid to stockholders	-575		-575		+ 0	-1,150	
Other, net	-31		-84		+ 53	-96	
Net cash used in financing activities	-831		-811		- 19	-2,597	
Effect of exchange rate changes on cash and cash equivalents	38		165		- 127	402	
Net increase (decrease) in cash and cash equivalents	599		1,100		- 500	4,091	
Cash and cash equivalents at beginning of term	10,804		6,712		+ 4,091	6,712	
Cash and cash equivalents at end of term	11,404		7,812		+ 3,591	10,804	

5. Overseas Sales

Interim year ended September 30, 2005

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	3,971	2,053	2,698	298	9,021
Consolidated sales					40,755
Percentage of overseas sales to consolidated sales (%)	9.7	5.0	6.6	0.7	22.1

Interim year ended September 30, 2006

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	3,596	2,992	2,904	393	9,886
Consolidated sales					47,113
Percentage of overseas sales to consolidated sales (%)	7.6	6.4	6.2	0.8	21.0

Year ended March 31, 2006

(Millions of yen)

	Americas	Europe	Asia	Other	Total
Overseas sales	7,732	4,633	5,379	848	18,593
Consolidated sales					90,367
Percentage of overseas sales to consolidated sales (%)	8.6	5.1	6.0	0.9	20.6

Note: 1. Overseas sales comprise sales of the Company and its consolidated subsidiaries in countries and regions other than Japan.

2. Effective this fiscal year, Turkey is reclassified into Europe, it was previously classified into Asia.

3. The major countries or regions in the respective divisions are as follows:

Americas: U.S.A., Colombia, Mexico and Brazil

Europe: Germany, Italy, Spain, France, Russia and Turkey

Asia: China, Korea, Iraq, India and Vietnam

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 Phone: +81 / 3-5996-8003 (URL <http://www.nihonkohden.com/>)
 Date of Board of Directors' Meeting: November 20, 2006
 Payment date of interim cash dividends: December 12, 2006
 Unit of trading: 100 shares

1. Non-Consolidated Financial Highlights for the 1st Half of FY2006 (April 1, 2006 to September 30, 2006)

(1) Non-Consolidated Operating Results (Amounts are rounded down to the nearest million yen)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half FY2006	30,165	19.2	2,718	41.9	3,582	26.0
First half FY2005	25,305	16.3	1,915	23.1	2,843	20.3
FY2005	58,061		5,925		7,346	

	Net income		Net income per share - Basic
	Millions of yen	%	Yen
First half FY2006	2,458	-14.4	55.47
First half FY2005	2,871	17.3	64.74
FY2005	5,867		130.74

Note: (1) Average number of outstanding shares during the period (consolidated):

First half FY2006: 44,325,102 First half FY2005: 44,346,231 FY2005: 44,336,781

(2) Change in accounting methods: No

(3) Percentages indicate increase/decrease over the corresponding period in the previous fiscal year.

(2) Non-Consolidated Financial Conditions

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	Millions of yen	Millions of yen	%	Yen
First half FY2006	66,758	43,213	64.7	974.94
First half FY2005	54,503	38,592	70.8	870.54
FY2005	66,444	41,427	62.3	933.02

Note: (1) Number of outstanding shares at the end of the period

First half FY2006: 44,324,317 First half FY2005: 44,332,080 FY2005: 44,325,877

(2) Number of treasury stocks

First half FY2006: 1,441,173 First half FY2005: 1,433,410 FY2005: 1,439,613

2. Forecast for FY2006 (From April 1, 2006 to March 31, 2007)

	Net sales	Operating profit	Ordinary profit
	Millions of yen	Millions of yen	Millions of yen
Full year	64,200	8,400	5,600

Note: Estimated net income per share (full year): 124.75 yen

3. Cash Dividends

	Cash dividends per share of common stock (yen)		
	Interim	Year end	Total
FY2005	13.00	13.00	26.00
FY2006 (Actual)	15.00	—	30.00
FY2006 (Forecast)	—	15.00	

* The above estimates are based on information available on the date of this report's announcement.

Actual results may differ from such estimates due to unforeseen circumstances.